



Re: Old BDH Nichols Run Lease

Jack Dahl

to: Frank Brock, Christopher Miller

04/29/2010 09:17 AM

Cc: Nicole Kraft, "Peter Briggs"

Hide Details

From: "Jack Dahl" <jkdahl@gw.dec.state.ny.us>

To: Frank Brock/R2/USEPA/US@EPA, "Christopher Miller"
<cpmiller@gw.dec.state.ny.us>

Cc: Nicole Kraft/R2/USEPA/US@EPA, "Peter Briggs" <psbriggs@gw.dec.state.ny.us>

History: This message has been replied to.

I suggest that EPA contact the oil purchaser, probably ARG in Bradford, to get a copy of the division order for the BDH lease. The division order will show what percentage of the proceeds from the sale of Snyder's production go to BDH. I assume that Snyder is producing to BDH's stock tanks but don't know if Snyder set its own tanks as well.

There may also be a contract or agreement as Chris mentioned whereby Snyder agrees to pay BDH \$X for the right to drill and produce on BDH's lease.

jkd

>>> Christopher Miller 4/29/2010 9:06 AM >>>

BDH is producing a few wells on the lease. And I am sure they are also getting some money from Snyder in addition to the plugging agreement. I do not think there is a lot of money there, but BDH can certainly plug some wells in addition to what Snyder is plugging.

BTW, in addition to the injection wells that have been plugged, several production wells on the BDH lease have also been plugged by BDH and/or Snyder.

-Chris

>>> <Brock.Frank@epamail.epa.gov> 4/29/2010 8:50 AM >>>

Thanks Chris-you touched on part of what I am unsure of-other than the trust fund I believe still exists, [REDACTED]

EXEMPTION 7A

[REDACTED] I am not aware of BDH owning any active producing wells, at least in NY. I guess part of the answer depends on the nature of the agreement with Snyder-if Snyder is paying BDH some \$\$ and then also plugging nearby wells, then BDH could pony up that income for plugging additional wells.

We are planning on sending BDH an info request letter. Based on this information, we may include asking BDH for details on their relationship with Snyder Bros. including details on the contract, amount of income they derive from the relationship, etc.

Are you aware of any other sources of income BDH may have, e.g. a similar relationship with Snyder for other facilities in NY or PA?

Frank C. Brock
Geologist
U.S. Environmental Protection Agency Region 2
Ground Water Compliance Section
290 Broadway, 20th Floor
New York, NY 10007
(212) 637-3762 (Phone)
(212) 637-4211 (Fax)
UIC Web Page:
www.epa.gov/region02/water/compliance

From: "Christopher Miller" <cpmiller@gw.dec.state.ny.us>
To: Frank Brock/R2/USEPA/US@EPA, "Peter Briggs"
<psbriggs@gw.dec.state.ny.us>
Cc: "Jack Dahl" <jkdahl@gw.dec.state.ny.us>
Date: 04/29/2010 08:06 AM
Subject: Re: Old BDH Nichols Run Lease

I think wells will be plugged at a faster pace if you keep up the pressure on BDH. Snyder will only go at the pace that fits their company plans, but BDH certainly has the means to augment what Snyder does by plugging additional wells on their own.

-Chris

>>> <Brock.Frank@epamail.epa.gov> 4/29/2010 7:58 AM >>>
Peter and Chris! Thanks for the responses. I had no idea BDH lived on as a corporate entity but they certainly came up with a new idea for getting the wells plugged! We are going to look at it from our end and decide what we want to do-may at least ask BDH if they have any idea about timeframe for plugging the remaining wells [REDACTED]

EXEMPTION 7A

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] Frank

Frank C. Brock
Geologist
U.S. Environmental Protection Agency Region 2
Ground Water Compliance Section
290 Broadway, 20th Floor
New York, NY 10007
(212) 637-3762 (Phone)
(212) 637-4211 (Fax)
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From: "Peter Briggs" <psbriggs@gw.dec.state.ny.us>
To: Frank Brock/R2/USEPA/US@EPA
Cc: "Christopher Miller" <cpmiller@gw.dec.state.ny.us>, "Jack Dahl"

<jkdahl@gw.dec.state.ny.us>

Date: 04/27/2010 11:18 PM

Subject: Re: Old BDH Nichols Run Lease

Frank,

I'm out of town on business for a few days but if you supply a list of the remaining 130 wells we can perform a search and try to determine who the current owner of record is for the wells. The actual mineral rights owner is something we won't have and I believe to determine that you'd need to go to the county court house. Let's start out with the well list and see what we can find. If possible, please include API for each well if you have it.

As far as a plan/schedule for plugging the rest of the BDH wells perhaps Chris or Jack can help you...

>>> 04/27/10 4:38 PM >>>

Hi Chris and Peter! Question: as you may know, for years now a contractor has been slowly plugging wells on the old BDH Oil Nichols Run Road lease. According to info we have including inspection last October, out of the 181 injection wells that were inventoried on that lease back in the 80s, about 51 have been plugged and 130 remain temporarily abandoned.

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] Thanks! Frank

EXEMPTIONS 5 AND 7A

Frank C. Brock
Geologist
U.S. Environmental Protection Agency Region 2
Ground Water Compliance Section
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New York, NY 10007
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